

## Message Text

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ACTION H-03

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E.O. 11652: N/A

TAGS: EGEN, EFIN, OREP

SUBJECT: VISIT OF CONGRESSMAN RICHARD T. HANNA

REF: (A) KUWAIT 264 (B) KUWAIT 447 (NOTAL)

SUMMARY: CONGRESSMAN HANNA (D-CALIF.) VISITED KUWAIT JANUARY 20-23 DURING WHICH TIME HE MET MANY LOCAL OFFICIALS AND BUSINESSMEN. HIS PRIMARY INTEREST WAS WITH KUWAIT'S POTENTIALLY ENORMOUS FINANCIAL RESERVES AND RELATED FINANCIAL QUESTIONS. HE ALSO DISCUSSED POSSIBLE COOPERATIVE PROGRAMS AND PROJECTS IN AREAS OF SCIENCE, TELECOMMUNICATIONS, HOUSING AND TRADE WITH KUWAITIS IN THESE FIELDS. CONGRESSMAN HANNA MET WITH MEMBERS OF AMERICAN BUSINESS AND PROFESSIONAL COMMUNITIES HERE AND DISCUSSED POLITICAL QUESTIONS WITH THEM. ACTION REQUESTED: DEPARTMENT REQUESTED PROVIDE THIS REPORT AND REFTELS TO CONGRESSMAN HANNA. END SUMMARY.

1. CONGRESSMAN RICHARD T. HANNA (D. CALIF) VISITED KUWAIT JANUARY 20-23 AT SUGGESTION KUWAIT INVESTMENT COMPANY OFFICIAL. A MEMBER OF THE BANKING AND CURRENCY AND SCIENCE AND ASTRONAUTICS COMMITTEES, CONGRESSMAN HANNA IS MAN OF DIVERSE INTERESTS, AND HIS MEETINGS HERE REFLECTED HIS MANY INTERESTS.

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2. FOREMOST AMONG HIS CONCERNS WAS REPID ACCUMULATION OF FINANCIAL RESERVES BY GOK. HE DISCUSSED RAMIFICATIONS OF THIS DEVELOPMENT WITH GOVERNOR CENTRAL BANK, UNDERSECRETARY OF FINANCE AND OIL AND OTHER OFFICIALS OF THE MINISTRY. MOST NOTEWORTHY POINTS OF THESE DISCUSSIONS REPORTED IN REFTEL A.

3. IN ADDITION, CONGRESSMAN HANNA MET WITH SEVERAL EUROPEAN MANAGERS OF LOCAL BANKS AND OFFICIALS OF KUWAIT INVESTMENT COMPANY. IN THEIR TALKS WITH HIM, BANKERS STRESSED THE INHIBITING EFFECT ON BUSINESS AND INVESTMENT RESULTING FROM MONETARY INSTABILITY. THEY NOTED LOCAL CONCERN OVER INFLATION AND GROWING DESIRE AMONG KUWAITIS TO SEE JOINT ARAB GULF ECONOMIC AND MONETARY PROGRAMS DEVELOP. ONE BANKER SAID THERE HAS BEEN A LOSS OF FAITH IN MONEY WITH THE RESULT THAT KUWAITIS ARE TURNING INSTEAD TO GOLD, LAND AND COMPANY SHARES TO PLACE THEIR WEALTH.

4. CONGRESSMAN HANNA MET WITH PRESIDENT OF KUWAIT'S CHAMBER OF COMMERCE AND INDUSTRY, ABD AL-AZIZ HAMAD AL-SAGAR AND HAD LIVELY DISCUSSIONS WITH OTHERS ON SCIENTIFIC COOPERATION, TELECOMMUNICATIONS, HOUSING AND POSSIBLE JOINT VENTURE PROJECTS. DIRECTOR OF KUWAIT INSTITUTE OF SCIENTIFIC RESEARCH EXPRESSED VIEW THAT INSTEAD OF TRANSFORMING DESERT, HE BELIEVED KUWAIT SHOULD TRY TO DETERMINE HOW TO MAKE MOST USE OF WHAT THE DESERT HAS ALREADY. UNDERSECRETARY OF THE PTT DISCUSSED ARAB REGIONAL COOPERATION IN TELECOMMUNICATIONS AND KUWAIT'S PLANS TO BUILD SECOND EARTH SATELLITE STATION HERE. (SEE ALSO REFTEL B). DIRECTOR OF THE SAVINGS AND CREDIT BANK DESCRIBED KUWAIT'S PUBLIC HOUSING PROGRAMS AND ADMITTED THAT MORE ATTENTION NEEDED TO BE PAID TO TOWN PLANNING. DIRECTOR OF THE PLANNING BOARD DESCRIBED KUWAIT'S INTEREST IN COOPERATING WITH EGYPT IN ECONOMIC PROJECTS. HE ALSO ENCOURAGED AMERICAN FIRMS TO COME TO KUWAIT IF THEY HAD IDEAS (SUCH AS ONE FIRM MENTIONED BY CONGRESSMAN HANNA) INVOLVING JOINT VENTURES WITH LOCAL FIRMS.

5. IN ADDITION TO HIS MEETINGS WITH KUWAITIS, CONGRESSMAN HANNA MET INFORMALLY AT AMBASSADOR'S RESIDENCE AND, PRIOR TO HIS DEPARTURE AT AMERICAN SCHOOL, WITH MOST AMERICAN BUSINESS AND PROFESSIONAL COMMUNITY HERE. HE GAVE HIS VIEWS ON MIDDLE EAST AND ON CURRENT INTERNATIONAL MONETARY DEVELOPMENTS. IN REPLY TO MANY QUESTIONS, HE DISCUSSED CURRENT AMERICAN LIMITED OFFICIAL USE

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DOMESTIC POLITICAL DEVELOPMENTS.

6. COMMENT: CONGRESSMAN HANNA'S VISIT WAS ONE OF MOST STIMULATING AND SUCCESSFUL OF SEVERAL CODELS WHICH HAVE COME HERE DURING PAST YEAR. HE TOLD US HE INTENDS TO SUBMIT REPORT TO BANKING AND CURRENCY COMMITTEE CHAIRMAN WRIGHT PATMAN (D.TEX). HE ALSO SAID HE CONSIDERING LEADING CODEL OF MEMBERS OF THE SCIENCE AND ASTRONAUTICS COMMITTEE TO REGION IN NEAR FUTURE.

7. ACTION REQUESTED: CONGRESSMAN HANNA ASKED EMBOFF TO SEND HIM REPORT SUMMARIZING HIS VISIT. BECAUSE OF PRESS OF OTHER BUSINESS PREPARATION OF REPORT HAS BEEN DELAYED. THEREFORE DEPARTMENT REQUESTED MAKE THIS REPORT AS WELL AS REFTELS AVAILABLE TO CONGRESSMAN HANNA TO SATISFY HIS REQUEST.  
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## Message Attributes

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**Concepts:** SCIENTIFIC COOPERATION, FOREIGN INVESTMENT, FINANCIAL RESERVES, CODELS  
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**Copy:** SINGLE  
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